

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF THE
CERTIFICATE OF AUTHORITY
OF IMPERIAL CASUALTY
AND INDEMNITY COMPANY**

A.I.D. NO. 2005- 053

**ORDER OF FULL REINSTATEMENT & REACTIVATION
OF ARKANSAS CERTIFICATE OF AUTHORITY**

Now, on this day the matter of the Arkansas Certificate of Authority No. 435 of IMPERIAL CASUALTY AND INDEMNITY COMPANY ("Company" or "Imperial"), an Oklahoma-domiciled insurer after recent re-domestication from Nebraska, under suspended licensure in Arkansas, NAIC No. 11487, is taken under consideration by Julie Benafield Bowman, Insurance Commissioner for the State of Arkansas ("Commissioner"), as presented by Chief Counsel, Ms. Jean Langford, and the Finance Division of the Department. From the facts, matters and other things before the Commissioner, the Commissioner finds as follows:

1. That the Commissioner has jurisdiction over the parties and subject matter herein.
2. That the Company holds Arkansas Certificate of Authority No. 435, with authority to sell property, casualty (excluding workers' compensation), marine, disability, and surety insurance in the State of Arkansas. Currently the Company is requesting not only reinstatement of its Certificate, but that the Department add authority for workers' compensation insurance to its casualty line of authority on the Certificate, which the Commissioner by this Order is granting.
3. That the Company's Arkansas Certificate of Authority was first suspended on June 19, 1989, due to delinquency proceedings in Nebraska, the then state of domicile for the

Company; and the Arkansas Certificate has remained suspended until the effective date of this Order.

4. That the Department has noted on its records that Nebraska terminated its suspension effective December 28, 1998. As of 12/31/2003, the Company re-domesticated from Nebraska to Oklahoma and was acquired by Providence Property & Casualty Insurance Company, NAIC #28711. Imperial Casualty and Indemnity Company is in good standing in Oklahoma, its new state of domicile.

5. That the Company reported positive surplus in recent calendar years; and the Company continues to pay all direct claims and to meet all policyholder obligations. As of March 31, 2005, the Company has minimum capital of \$3,000,000, and total policyholders' surplus of \$10,507,000; which amounts exceed the statutory minimum amounts required under Ark. Code Ann. §23-63-205 and §23-63-207 for continued and active licensure in Arkansas. The Company was licensed in 41 states as of December 31, 2004; is reinstated in Nebraska and Oklahoma, among others; and is seeking reinstatement in a number of other states as of 2005. The Oklahoma Department advises that it would appreciate reinstatement of the Company's Arkansas license to active status. The Company itself requests full reinstatement of the Arkansas license, as well as the addition of a subline to its casualty authority, to enable it to write workers' compensation insurance in the State of Arkansas.

6. That the Company filed a written reinstatement request at this Department, which has been under consideration for some time. The reactivation request for the Company's Arkansas Certificate of Authority has now been reviewed by Department staff, including a Plan of Operation for the State of Arkansas, as well as other financial information relating to the


solvency of the Company. Department staff in the Finance Division, among others, have now recommended that the Company's Certificate of Authority be reinstated and reactivated.

7. That it appears that the grounds for the original suspension of the Company's Arkansas Certificate of Authority have expired or been resolved; and that it would be in the best interest of all parties that the Company's Arkansas Certificate of Authority be reinstated.

THEREFORE, pursuant to Ark. Code Ann. §23-63-215 and other laws, it is hereby ordered that the Arkansas Certificate of Authority of Imperial Casualty and Indemnity Company should be and hereby is reactivated and reinstated to full status, effective October 1, 2005. Contemporaneous with the issuance of this Order, the Company's Certificate of Authority will be amended to reflect the authority of the Company to write workers' compensation as a subline of casualty insurance.

A copy of this Order will be sent to both Oklahoma and Nebraska Departments of Insurance, and to the National Association of Insurance Commissioners.

IT IS SO ORDERED this 21st day of September, 2005.


JULIE BENAFIELD BOWMAN
INSURANCE COMMISSIONER
STATE OF ARKANSAS